



General Assembly

January Session, 2013

**Governor's Bill No. 6374**

LCO No. 2986



Referred to Committee on PUBLIC SAFETY AND SECURITY

Introduced by:

REP. SHARKEY, 88<sup>th</sup> Dist.

REP. ARESIMOWICZ, 30<sup>th</sup> Dist.

SEN. WILLIAMS, 29<sup>th</sup> Dist.

SEN. LOONEY, 11<sup>th</sup> Dist.

***AN ACT CONCERNING COORDINATED LONG-TERM DISASTER  
RELIEF AND RECOVERY.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 4-37e of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective from passage*):

3 As used in this section and sections 4-37f to 4-37j, inclusive:

4 (1) "State agency" means each state board, authority, commission,  
5 department, office, institution, council or other agency of the state  
6 including, but not limited to, each constituent unit and each public  
7 institution of higher education.

8 (2) "Foundation" means an organization, fund or any other legal  
9 entity which is (A) exempt from taxation pursuant to Section 501(c)(3)  
10 of the Internal Revenue Code of 1986, [as amended] or any subsequent

11 corresponding internal revenue code of the United States, as from time  
12 to time amended, and (B) established for the principal purpose of  
13 receiving or using private funds for charitable, scientific, cultural,  
14 educational or related purposes that support or improve a state agency  
15 or for coordinated emergency recovery purposes. Such an  
16 organization, fund or other legal entity shall not be deemed to be a  
17 state agency or a public agency, as defined in section 1-200.

18 (3) "Executive authority" means (A) a department head, as defined  
19 in section 4-5, (B) the executive secretary or president of a constituent  
20 unit, (C) the chief executive officer of a public institution of higher  
21 education, and (D) the chief executive officer of any other state agency.

22 (4) "Constituent unit" means a constituent unit as defined in section  
23 10a-1.

24 (5) "Public institution of higher education" means a public college or  
25 university in the state system of higher education or The University of  
26 Connecticut School of Law.

27 (6) "Coordinated emergency recovery" means the support and  
28 improvement of state services related to those affected by a natural  
29 disaster, an act of domestic terrorism or other unforeseen emergency,  
30 including, but not limited to, those services provided by the  
31 Department of Emergency Services and Public Protection and the  
32 Office of Victim Services.

33 Sec. 2. Section 4-37f of the general statutes is repealed and the  
34 following is substituted in lieu thereof (*Effective July 1, 2013*):

35 The executive authority of each state agency for which a foundation  
36 is established shall, in accordance with a policy adopted by the board  
37 of trustees of the constituent unit for each state agency which is a  
38 constituent unit or which is a public institution of higher education  
39 under the jurisdiction of the constituent unit, ensure that:

40 (1) The foundation shall have a governing board to oversee its  
41 operation;

42 (2) If the state agency is a constituent unit, the following persons  
43 shall serve as nonvoting members of the governing board of the  
44 foundation unless the bylaws of the foundation provide that they be  
45 voting members: The executive authority of the constituent unit, or his  
46 designee, a student enrolled at an institution under the jurisdiction of  
47 the constituent unit, who shall be elected by the students enrolled at  
48 the institutions under the jurisdiction of the constituent unit, and a  
49 member of the faculty of any such institution, who shall be elected by  
50 the faculty of the institutions under the jurisdiction of the constituent  
51 unit. Elections pursuant to this subdivision shall be conducted in  
52 accordance with procedures for such elections established by the board  
53 of trustees of the constituent unit;

54 (3) If the constituent unit is the Board of Trustees of the  
55 Community-Technical Colleges or the Board of Trustees of the  
56 Connecticut State University System, the purposes of the foundation  
57 shall be limited to providing funding for (A) scholarships or other  
58 direct student financial aid and (B) programs, services or activities at  
59 one or more of the institutions within its jurisdiction;

60 (4) If the state agency is a public institution of higher education, the  
61 following persons shall serve as nonvoting members of the governing  
62 board of the foundation unless the bylaws of the foundation provide  
63 that they be voting members: The executive authority of the  
64 institution, or his designee, a student enrolled at the institution, who  
65 shall be elected by the students enrolled in the institution and a  
66 member of the faculty of the institution, who shall be elected by the  
67 faculty of the institution. Elections pursuant to this subdivision shall be  
68 conducted in accordance with procedures for such elections  
69 established by the board of trustees of the constituent unit which has  
70 jurisdiction over the institution;

71       (5) The governing board of the foundation shall annually file with  
72       the state agency an updated list of the members and officers of such  
73       board;

74       (6) The salaries, benefits and expenses of officers and employees of  
75       the foundation shall be paid solely by the foundation;

76       (7) The foundation shall use generally accepted accounting  
77       principles in its financial record-keeping and reporting;

78       (8) A foundation which has in any of its fiscal years receipts and  
79       earnings from investments totaling one hundred thousand dollars per  
80       year or more, or a foundation established for the principal purpose of  
81       coordinated emergency recovery which operated in response to an  
82       eligible incident, as defined in subsection (a) of section 4 of this act,  
83       during the fiscal year or with funds that exceeded one hundred  
84       thousand dollars in their aggregate amount, shall have completed on  
85       its behalf for such fiscal year a full audit of the books and accounts of  
86       the foundation. A foundation which has receipts and earnings from  
87       investments totaling less than one hundred thousand dollars in each  
88       fiscal year during any three of its consecutive fiscal years beginning  
89       October 1, 1986, shall have completed on its behalf for the third fiscal  
90       year in any such three-year period a full audit of the books and  
91       accounts of the foundation, unless such foundation was established for  
92       the principal purpose of coordinated emergency recovery and had  
93       completed on its behalf such an audit for any year in any such three-  
94       year period. For each fiscal year in which an audit is not required  
95       pursuant to this subdivision financial statements shall be provided by  
96       the foundation to the executive authority of the state agency. Each  
97       audit under this subdivision shall be conducted (A) by an independent  
98       certified public accountant or, if requested by the state agency with the  
99       consent of the foundation, the Auditors of Public Accounts, and (B) in  
100       accordance with generally accepted auditing standards. The audit  
101       report shall include financial statements, a management letter and an  
102       audit opinion which address the conformance of the operating

103 procedures of the foundation with the provisions of sections 4-37e to 4-  
104 37i, inclusive, as amended by this act, and recommend any corrective  
105 actions needed to ensure such conformance. Each audit report shall  
106 disclose the receipt or use by the foundation of any public funds in  
107 violation of said sections or any other provision of the general statutes.  
108 The foundation shall provide a copy of each audit report completed  
109 pursuant to this subdivision to the executive authority of the state  
110 agency. Each financial statement required under this subdivision shall  
111 include, for the fiscal year to which the statement applies, the total  
112 receipts and earnings from investments of the foundation and the  
113 amount and purpose of each receipt of funds by the state agency from  
114 the foundation. As used in this subdivision, "fiscal year" means any  
115 twelve-month period adopted by a foundation as its accounting year;  
116 [and]

117 (9) There shall be a written agreement between the state agency and  
118 the foundation which (A) addresses any use by the foundation of the  
119 agency's facilities and resources including, but not limited to, office  
120 space, storage space, office furniture and equipment, utilities,  
121 photocopying services, computer systems and the maintenance by the  
122 state agency of the books and records of the foundation, provided any  
123 such books and records maintained by the state agency shall not be  
124 deemed to be public records and shall not be subject to disclosure  
125 pursuant to the provisions of section 1-210, (B) provides that the state  
126 agency shall have no liability for the obligations, acts or omissions of  
127 the foundation, (C) requires the foundation to reimburse the state  
128 agency for expenses the agency incurs as a result of foundation  
129 operations, if the agency would not have otherwise incurred such  
130 expenses, (D) in the case of foundations established for a constituent  
131 unit of the state system of higher education or for a public institution  
132 of higher education, requires the foundation to establish and adhere to  
133 an investment policy and a spending policy that are consistent with  
134 sections 45a-535 to 45a-535i, inclusive, and (E) provides that if the  
135 foundation ceases to exist or ceases to be a foundation, as defined in

136 section 4-37e, as amended by this act, (i) the foundation shall be  
137 prohibited from using the name of the state agency, (ii) the records of  
138 the foundation, or copies of such records, shall be made available to  
139 and may be retained by the state agency, provided any such records or  
140 copies which are retained by the state agency shall not be deemed to be  
141 public records and shall not be subject to disclosure pursuant to the  
142 provisions of section 1-210, and (iii) there are procedures for the  
143 disposition of the financial and other assets of the foundation. If the  
144 state agency is a constituent unit, the board of trustees of the  
145 constituent unit shall approve such agreement. If the state agency is a  
146 public institution of higher education, the board of trustees of the  
147 constituent unit which has jurisdiction over the institution shall  
148 approve such agreement; and

149 (10) If the foundation is established for the principal purpose of  
150 coordinated emergency recovery, the Commissioner of Emergency  
151 Services and Public Protection shall be the executive authority that  
152 ensures the provisions of this section are carried out.

153 Sec. 3. Section 4-31a of the general statutes is repealed and the  
154 following is substituted in lieu thereof (*Effective from passage*):

155 (a) Any gift, contribution, income from trust funds, or other aid  
156 from any private source or from the federal government, except federal  
157 aid for highway and bridge purposes or federal funds in the  
158 possession of the Board of Control of the Connecticut Agricultural  
159 Experiment Station, the Board of Trustees of the University of  
160 Connecticut, the Board of Trustees of the Connecticut State University  
161 System, the Board of Trustees of the Community-Technical Colleges,  
162 or the Employment Security Division of the Labor Department, or any  
163 other gift, grant or trust fund in the possession of any of said boards,  
164 shall be entered upon the records of the General Fund in the manner  
165 prescribed by the Secretary of the Office of Policy and Management.  
166 When so recorded, such amounts shall be deemed to be appropriated  
167 to the purposes of such gift, contribution or other aid and shall be

168 allotted in accordance with law. No gift, contribution, income from  
169 trust funds, or other aid from any private source or from the federal  
170 government that is subject to this subsection shall require allotment,  
171 except upon a notice by the Secretary of the Office of Policy and  
172 Management that the state agency receiving such funding has failed to  
173 consistently provide the notifications required in subsection (e) of  
174 section 4-66a.

175 (b) Notwithstanding the provisions of subsection (a) of this section,  
176 any funds that are gifted or contributed by any private source for  
177 which the private source intends that such gift or contribution be used  
178 to support coordinated emergency recovery, as defined in section 4-  
179 37e, as amended by this act, shall not be entered upon the records of  
180 the General Fund and such amounts shall not be deemed to be  
181 appropriated to the purpose of such gift or contribution.

182 ~~[(b)]~~ (c) No fund shall be created and set up on the books of the state  
183 except by act of the General Assembly or upon the approval of the  
184 Governor.

185 Sec. 4. (NEW) (*Effective from passage*) (a) As used in this section and  
186 sections 5 and 6 of this act:

187 (1) "Eligible incident" means any emergency declared by a political  
188 subdivision of the state, declared by the Governor in accordance with  
189 section 28-9 of the general statutes or declared by two-thirds vote of  
190 the board following a request of the Governor;

191 (2) "CT CARE Fund" means the Connecticut Coordinated Assistance  
192 and Recovery Endowment Fund established under subsection (b) of  
193 this section;

194 (3) "Board" means the governing board of the CT CARE Fund; and

195 (4) "Victims' relief" means direct financial payments to those  
196 individuals determined by the board to be most affected by an eligible

197 incident.

198 (b) There is established, in accordance with the provisions of section  
199 4-37f of the general statutes, as amended by this act, a foundation that  
200 shall be known as the Connecticut Coordinated Assistance and  
201 Recovery Endowment Fund, or the CT CARE Fund. The purpose of  
202 the foundation is to support coordinated emergency recovery, as  
203 defined in section 4-37e of the general statutes, as amended by this act.

204 (c) The CT CARE Fund may accept transfers from the CT CARE  
205 Assistance and Relief Fund, established under section 5 of this act, and  
206 may accept gifts, grants or donations from private sources to enable  
207 the CT CARE Fund to carry out its objectives.

208 (d) The CT CARE Fund shall be administered by a governing board.  
209 The board shall include the following voting members: (1) Seven  
210 appointed by the Governor who shall have experience in accounting or  
211 with the operation of a nonprofit or other corporation, each of whom  
212 shall serve at the pleasure of the Governor; (2) the Secretary of the  
213 Office of Policy and Management, or the secretary's designee; (3) the  
214 Deputy Commissioner of Emergency Services and Public Protection  
215 with jurisdiction over the Division of Emergency Management and  
216 Homeland Security, or the deputy commissioner's designee; (4) a  
217 member of the Office of Victim Services within the Judicial  
218 Department; (5) the chairperson of each regional emergency response  
219 team established by the Division of Emergency Management and  
220 Homeland Security within the Department of Emergency Services and  
221 Public Protection; and (6) a member, appointed by the Connecticut  
222 Council for Philanthropy, whose term shall be coterminous with that  
223 of the Governor, provided such member's term shall extend through  
224 the duration of an eligible incident, and after expiration of such  
225 member's term through any period in which a new appointment to  
226 replace such member has yet to be made. The following persons shall  
227 serve on the board as nonvoting members in an advisory capacity, in a  
228 manner determined by the executive committee pursuant to subsection



229 (h) of this section: (A) The State Emergency Management Director, or  
230 the director's designee; (B) the Commissioner of Social Services, or the  
231 commissioner's designee; (C) the Insurance Commissioner, or the  
232 commissioner's designee; (D) (i) the executive director of the  
233 Connecticut Conference of Municipalities or the director's designee,  
234 and (ii) the executive director of the Connecticut Council of Small  
235 Towns or the director's designee, each of whose term shall be  
236 coterminous with that of the Governor, provided such member's term  
237 shall extend through the duration of an eligible incident; (E) the  
238 Commissioner of Consumer Protection, or the commissioner's  
239 designee; (F) the Attorney General, or the Attorney General's designee;  
240 and (G) other persons, as determined by the executive committee  
241 established pursuant to subsection (h) of this section. All appointments  
242 to the governing board shall be made not later than thirty days after  
243 the effective date of this section. Any vacancy shall be filled by the  
244 appointing authority. The Governor shall select the chairperson of the  
245 governing board and the chairperson shall call the first meeting of the  
246 board, which shall be held not later than sixty days after the effective  
247 date of this section.

248 (e) (1) The governing board shall: (A) Adopt policies, bylaws and  
249 governing documents and undertake other measures to (i) ensure that  
250 the foundation receives and maintains its status as a legal entity  
251 exempt from taxation pursuant to Section 501(c)(3) of the Internal  
252 Revenue Code of 1986, or any subsequent corresponding internal  
253 revenue code of the United States, as from time to time amended, and  
254 (ii) receive and distribute funds donated in response to an eligible  
255 incident; (B) register the CT CARE Fund with applicable state or  
256 federal agencies; (C) establish a set of best practices for operating and  
257 administering the CT CARE Fund to provide coordinated emergency  
258 recovery; (D) in anticipation of eligible incidents, create objective  
259 guidelines, protocols, scenarios or bases tailored to respond to  
260 foreseeable eligible incidents; (E) take actions necessary to ensure  
261 financial independence and sustainability, which may include

262 engaging in solicitation of private donations; (F) for each eligible  
263 incident, certify to the Governor and the State Treasurer that the  
264 foundation is ready, willing and able to receive private donations and  
265 carry out coordinated emergency recovery, as defined in section 4-37e  
266 of the general statutes, as amended by this act; and (G) establish a  
267 distribution committee pursuant to the provisions of subsection (g) of  
268 this section, receive recommendations from such distribution  
269 committee and formally adopt any proposed formula to distribute  
270 victims' relief funds.

271 (2) The board may: (A) Sue and be sued; (B) employ fiscal agents,  
272 accountants, legal counsel or other professionals to carry out the CT  
273 CARE Fund's purpose, including, but not limited to, an executive  
274 director or such other staff as the board may deem necessary, (C)  
275 negotiate for services with state agencies; and (D) delegate decision  
276 making authority on the distribution of funds, except as provided for  
277 in subparagraph (G) of subdivision (1) of this subsection concerning  
278 adoption of any proposed formula to distribute victims' relief funds.

279 (f) Any person employed by the board pursuant to the provisions of  
280 subparagraph (B) of subdivision (2) of subsection (e) of this section,  
281 shall not be considered a state employee.

282 (g) For each eligible incident, the board shall establish a distribution  
283 committee. The distribution committee shall be: (1) The coordinator for  
284 the Division of Emergency Management and Homeland Security  
285 within the Department of Emergency Services and Public Protection of  
286 any region affected, as determined by the board or as otherwise  
287 provided for in a declaration of emergency causing an incident to  
288 become eligible; (2) the chief executive officer for each affected  
289 municipality, as determined by the board or as otherwise provided for  
290 in a declaration of emergency causing an incident to be eligible; (3) the  
291 chairperson of each regional emergency response team established by  
292 the Division of Emergency Management and Homeland Security  
293 within the Department of Emergency Services and Public Protection

294 affected, as determined by the board or as otherwise provided for in a  
295 declaration of emergency causing an incident to become eligible; and  
296 (4) not more than two residents of an affected municipality or  
297 municipalities, who shall be appointed by the chairperson of the  
298 board. The distribution committee shall assist the board in determining  
299 eligibility requirements for recipients of disbursements from any fund  
300 operated by the CT CARE Fund.

301 (h) The board shall establish an executive committee with  
302 membership determined by the board. The executive committee shall  
303 apprise nonvoting members of the board of their roles as advisors and  
304 shall attend to any other duties prescribed to the executive committee  
305 by the board.

306 Sec. 5. (*Effective from passage*) (a) There is established a fund to be  
307 known as the CT Coordinated Assistance and Relief Fund. The State  
308 Treasurer shall be the custodian of said fund and is authorized to  
309 accept gifts, grants or donations from private sources to be held in the  
310 fund and distributed in accordance with subsection (b) of this section.  
311 The sums received by the fund shall be accounted for separately and  
312 apart from all other state moneys, and the full faith and credit of the  
313 state of Connecticut is pledged for their safekeeping.

314 (b) Disbursements from the fund shall be made by the State  
315 Treasurer or the State Treasurer's deputies to the CT CARE Fund upon  
316 (1) the declaration of an eligible incident, and (2) receipt of the  
317 certification required in subparagraph (F) of subdivision (1) of  
318 subsection (e) of section 4 of this act.

319 (c) On or before July 1, 2013, and monthly thereafter, the State  
320 Treasurer shall submit to the Governor a report on the financial  
321 condition of the CT CARE Fund. Such report shall include (1) an  
322 estimate of the fund's value as of the date of the report; (2) the effect of  
323 disbursements and scheduled disbursements on the fund's value; and  
324 (3) an estimate of the monthly administrative costs necessary to

325 operate the fund.

326 Sec. 6. (*Effective from passage*) (a) For the purposes of this section:

327 (1) "Assistance" means moneys payable by the CT CARE Fund,  
328 other than victims' relief, to assist affected individuals and  
329 municipalities; and

330 (2) "Endowment fund eligible gift" means a gift of cash from a  
331 private source to or for the benefit of the CT CARE Fund which the  
332 donor has specifically designated for deposit in an endowment fund or  
333 which, explicitly or implicitly by the terms of the gift, the CT CARE  
334 Fund may and does deposit or permit to be deposited in an  
335 endowment fund.

336 (b) The CT CARE Fund shall provide victims' relief and assistance  
337 to individuals and municipalities affected by an eligible incident. Upon  
338 the declaration of each eligible incident, the CT CARE Fund shall  
339 establish the following funds to provide victims' relief and assistance  
340 as indicated: (1) A victim's relief fund to provide victims' relief in  
341 accordance with the formula adopted by the board pursuant to  
342 subdivision (1) of subsection (e) of section 4 of this act; (2) an  
343 individual assistance fund to provide needs-based assistance to  
344 affected individuals; and (3) a public assistance fund to provide local  
345 emergency funding to affected municipalities. Such funds shall contain  
346 moneys disbursed to the CT CARE Fund by the State Treasurer  
347 pursuant to section 5 of this act. For each eligible incident, the board  
348 may establish such other funds as it deems necessary or desirable to  
349 provide assistance to individuals and municipalities affected by such  
350 eligible incident.

351 (c) In the event the moneys in any of the funds established pursuant  
352 to subsection (b) of this section, other than the victims' relief fund, are  
353 insufficient to provide full assistance to all affected individuals or  
354 municipalities, as the case may be, such assistance shall be provided on  
355 a pro rata basis at the discretion of the board. Victims' relief or

356 assistance provided under this section shall be deemed unavailable for  
 357 repayment of assistance given by the Federal Emergency Management  
 358 Agency.

359 (d) The board of the CT CARE Fund may establish permanent  
 360 endowment funds, including, but not limited to, a permanently  
 361 unrestricted fund to pay for the operating expenses of the CT CARE  
 362 Fund. Any such endowment funds shall be administered by the  
 363 governing board of the CT CARE Fund and shall be held in a trust  
 364 fund with a bank or trust company separate and apart from all other  
 365 funds and accounts of the CT CARE Fund. There shall be deposited  
 366 into any such endowment fund: (1) Endowment fund eligible gifts, and  
 367 (2) interest or other income earned on the investment of moneys in  
 368 such endowment fund pending application or transfer or use of  
 369 earnings on the principal thereof for the purposes for which such fund  
 370 was established.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	4-37e
Sec. 2	<i>July 1, 2013</i>	4-37f
Sec. 3	<i>from passage</i>	4-31a
Sec. 4	<i>from passage</i>	New section
Sec. 5	<i>from passage</i>	New section
Sec. 6	<i>from passage</i>	New section

**Statement of Purpose:**

To implement the Governor's budget recommendations.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*